

Senate Study Bill 3140 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act relating to the wagering tax rate on gambling games.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99F.11, subsection 2, Code Supplement
2 2009, is amended to read as follows:

3 2. a. On and after July 1, 2012, the tax rate imposed each
4 fiscal year on any amount of adjusted gross receipts over three
5 million dollars shall be twenty-five percent.

6 b. Prior to July 1, 2012, the tax rate imposed each
7 fiscal year on any amount of adjusted gross receipts over three
8 million dollars shall be as follows:

9 ~~a.~~ (1) If the licensee is an excursion gambling boat or
10 gambling structure, ~~twenty-two percent.~~ the tax rate shall be
11 as follows:

12 (a) For the fiscal year beginning July 1, 2010, twenty-three
13 percent.

14 (b) For the fiscal year beginning July 1, 2011, twenty-four
15 percent.

16 ~~b.~~ (2) If the licensee is a racetrack enclosure conducting
17 gambling games and another licensee that is an excursion
18 gambling boat or gambling structure is located in the same
19 county, then the following rate, as applicable:

20 ~~{1}~~ (a) If the licensee of the racetrack enclosure has not
21 been issued a table games license during the fiscal year or if
22 the adjusted gross receipts from gambling games of the licensee
23 in the prior fiscal year were less than one hundred million
24 dollars, ~~twenty-two percent.~~ the tax rate shall be as follows:

25 (i) For the fiscal year beginning July 1, 2010, twenty-three
26 percent.

27 (ii) For the fiscal year beginning July 1, 2011, twenty-four
28 percent.

29 ~~{2}~~ (b) If the licensee of the racetrack enclosure has
30 been issued a table games license during the fiscal year or
31 prior fiscal year and the adjusted gross receipts from gambling
32 games of the licensee in the prior fiscal year were one hundred
33 million dollars or more, ~~twenty-two percent on adjusted gross~~
34 ~~receipts received prior to the operational date and twenty-four~~
35 ~~percent on adjusted gross receipts received on or after the~~

1 ~~operational date twenty-five percent. For purposes of this~~
2 ~~subparagraph, the operational date is the date the commission~~
3 ~~determines table games became operational at the racetrack~~
4 ~~enclosure.~~

5 ~~c.~~ (3) If the licensee is a racetrack enclosure conducting
6 gambling games and no licensee that is an excursion gambling
7 boat or gambling structure is located in the same county,
8 ~~twenty-four~~ twenty-five percent.

9 (4) This paragraph "b" is repealed July 1, 2012.

10 EXPLANATION

11 This bill increases the wagering tax on adjusted gross
12 receipts from gambling games over \$3 million until reaching 25
13 percent on all facilities licensed under Code chapter 99F by
14 the fiscal year beginning July 1, 2012.

15 For excursion gambling boats, gambling structures, and
16 racetrack enclosures with gross receipts less than \$100
17 million, current law provides that the wagering tax is 22
18 percent. The bill increases the tax rate by one percentage
19 point each fiscal year beginning July 1, 2010, until reaching
20 25 percent for these facilities on July 1, 2012.

21 For racetrack enclosures with gross receipts of \$100 million
22 or more or racetracks in a county without an excursion gambling
23 boat or gambling structure, current law provides that the
24 wagering tax is 24 percent. The bill increases the wagering
25 tax on these facilities to 25 percent for each fiscal year
26 beginning on and after July 1, 2010.